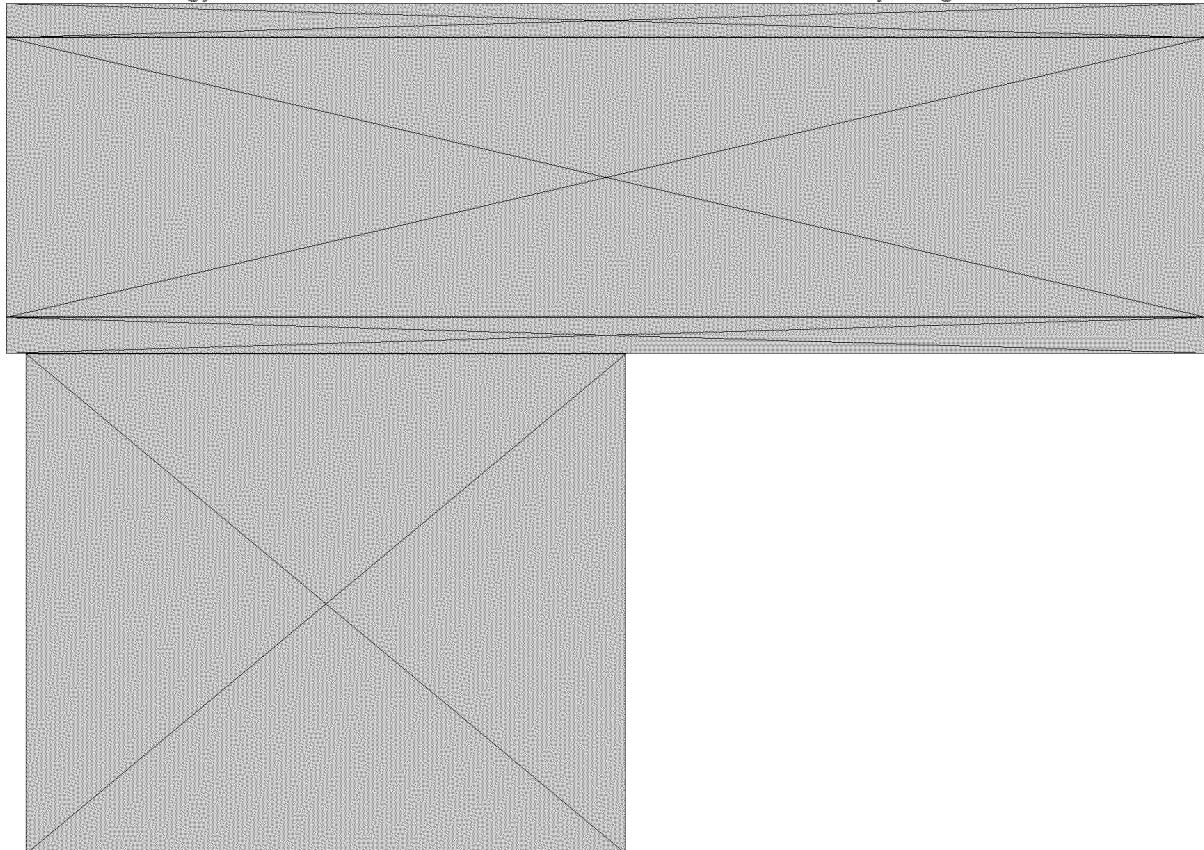


**To:** Smith, Roxanne[Smith.Roxanne@epa.gov]  
**From:** EnergyGuardian  
**Sent:** Fri 8/7/2015 9:45:27 PM  
**Subject:** Dominguez to take PHMSA helm, predecessor advises 'reestablish credibility'

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Energy and environment headlines for the afternoon of Friday, August 7, 2015



## Dominguez to take PHMSA helm, predecessor advises 'reestablish credibility'

By Kevin Rogers

Maria Therese Dominguez will begin her term as administrator of the Pipeline and Hazardous Materials Safety Administration with the admonition of a predecessor that she needs to hit the ground running - and get strong support from her boss.

Dominguez won confirmation this week and immediately faces the need to get her agency to complete implementation of the 14 open mandates from the Pipeline Safety Regulatory

## Certainty and Job Creation Act of 2011

"She needs to get out there and help reestablish credibility that the agency is in fact doing what it's supposed to be doing," said Brigham McCown, a former PHMSA director and currently chairman of the Alliance for Infrastructure and Innovation. "Much of the issue relating to PHMSA's effectiveness has been an inability to articulate what the agency is doing."

Dominguez, a former deputy assistant secretary of the Army for Civil Works and vice president for government relations and public policy at the U.S. Postal Service, pledged at her confirmation hearing to apply her experience to the task of jolting the agency moving.

"We need to examine our processes and structure so we can be responsive and drive innovation that enhances our safety mission," she said at the July 22 hearing. "You have my commitment that I will focus on the continual improvement of PHMSA's safety record and enforcement regime."

In the 2011 legislation, Congress issued 42 mandates for the agency to boost pipeline oversight and safety. The agency still has not completed 16 of the policy updates.

McCown said Dominguez's success depends on whether or not Transportation Secretary Anthony Foxx empowers her to take control of the agency.

"It's really important for the transportation secretary to come out and support her and his agency," he said. "Ultimately, PHMSA is part of his watch. He is responsible for PHMSA. The secretary has to make sure the administrator is empowered and given his full support to make her effective."

In a statement Thursday, Foxx praised Dominguez' confirmation and touted her leadership experience.

"She brings to PHMSA her extensive experience as a senior leader managing complex organizations and her dedication to safety. I'm looking forward to working with her as we continue to drive innovation and raise the bar on safety at PHMSA."

The agency has come under closer scrutiny from Congress since May, when a Plains All-American pipeline spilled up to 101,000 gallons of crude oil along the California coast.

Dominguez fills a position that has been vacant since October 2014, when Administrator Cynthia Quarterman departed.

She won congratulations from the Association of American Railroads.

"On behalf of America's freight rail industry, we congratulate Ms. Dominguez on her confirmation and we look forward to working with her on the ongoing focus on safety that is of significant importance to the nation's freight railroads," President and CEO Ed Hamberger

said in a statement

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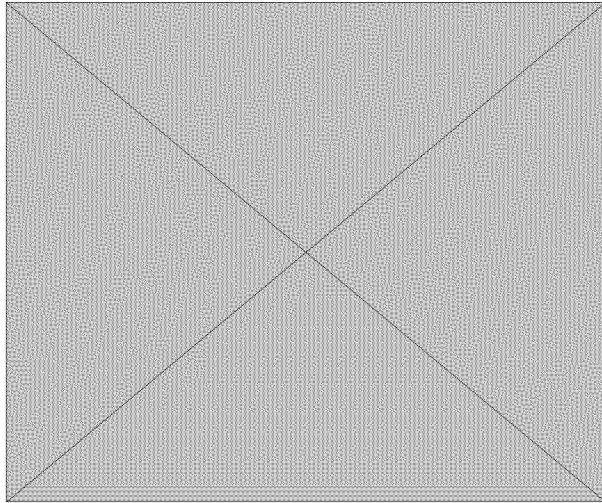
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# Refineries taking in record levels of crude oil, EIA says

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## By Kevin Rogers

Over the past four weeks, U.S. refineries have brought in more than 17 million barrels of crude oil per day, the highest levels recorded since the federal government's energy statistics agency started keeping track in 1990.

In an [analysis](#) published Friday, the Energy Information Administration said that cheap crude oil is generating stronger margins for refiners, driving total refinery capacity and boosting overall utilization rates.

"Lower crude oil prices and strong demand for petroleum products, primarily gasoline, both in the United States and globally, have led to favorable margins that encourage refinery investment and high refinery runs," EIA said.

That's resulted in a high gasoline crack spread, the difference between the price of the refined product and crude oil. On July 8, the crack spread peaked at 66 cents per gallon, the highest observed since September 2008.

Refiners are also supported by continued high demand for fuel. For the first five months of 2015, total petroleum product supplied, a measure of demand, was up 2.4 percent from the same period last year. Global markets have also seen an uptick, driving a 19 percent increase in net petroleum exports from January through May, EIA said.

American Petroleum Institute Chief Economist Howard Feldman said that the record input has been the result of a convergence of opportunities for the refining sector.

"We've had record production of gasoline, record production of distillate, and that's for a couple reasons," Feldman said. "Demand has increased, so there's a market for producing more. Export demand has been quite good for a number of years, as we've been able to efficiently produce more products for export. Finally, the margins improved from the end of

last year where they were abysmal, so refiners saw the opportunity to run high levels of production.”

And across the nation, refinery utilization in the past three weeks has exceed 90 percent, even in California, which is dealing with a continued outage at ExxonMobil's Torrance refinery.

EIA, however, expects the overall refinery input to decline as the third quarter winds down. In its latest Short-Term Energy Outlook, the agency projects that refineries will average a 16.2 million barrel per day input in the fourth quarter, dropping to 15.8 million barrels in the first quarter of 2016.

## **U.S. rig count up 10 to 884, oil rigs increase by 6**

**By The Associated Press**

HOUSTON (AP) — The number of rigs exploring for oil and natural gas in the U.S. increased by 10 this week to 884, according to oilfield services company Baker Hughes Inc.

Houston-based Baker Hughes said Friday 670 rigs were seeking oil -- an increase of six compared to the previous week -- and 213 explored for natural gas. One was listed as miscellaneous. A year ago, 1,908 rigs were active.

Among major oil- and gas-producing states, Texas gained eight rigs, Louisiana gained four, Kansas increased by three, West Virginia gained two and California, and North Dakota each increased by one.

Pennsylvania lost three rigs, Colorado declined by two and Ohio lost one.

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## **EPA confirms Colorado mine spill contains heavy metals**

**By Dan Elliott and Colleen Slevin**

DENVER (AP) — The mustard-colored muck that spilled from a Colorado mine and surged into a river contains heavy metals including lead and arsenic, federal environmental officials confirmed Friday, but they didn't immediately discuss amounts in the water or health risks.

The spill also contained cadmium, aluminum, copper and calcium, the Environmental Protection Agency said. During a public meeting in Durango, EPA Regional Director Shaun McGrath did not mention whether the elements posed a health hazard but said local authorities were right to close the Animas River to human activities.

At least two of the heavy metals can be lethal for humans in long-term exposure. Arsenic at high levels can cause blindness, paralysis and cancer. Lead poisoning can create muscle and vision problems for adults, harm development in fetuses, and lead to kidney disease, developmental problems and sometimes death in children, the agency said.

EPA and contractor crews accidentally unleashed 1 million gallons of wastewater from the shuttered Gold King Mine on Wednesday, and it flowed into the river through a tributary. The EPA warned people to stay out of the river popular with boaters and anglers to keep domestic animals from drinking from it.

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## **Obama: Wildfires worsened by climate change**

**By Energy Guardian**

Wildfires in the western U.S. are getting worse, in large part due to climate change, President Obama said Friday, noting that there's been a consistent escalation in the severity and length of the wildfire season.

"A lot of that is attributable to the fact that climate change is going to be raising temperatures and creating less water, more vulnerability to a lot of forests out there," Obama added.

The president said the U.S. should be thinking throughout the summer about the firefighters battling "some really tough fires" in western states. He said that he's trying to work with Congress to properly fund firefighting and conservation planning to decrease risks, to be "engaged in the kind of conservation planning to ensure that we're preventing fires from happening in the first place."

Drought-stricken California has been grappling with 23 fires this week, including one that's destroyed 43 homes.

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## **Railroad safety: Few likely to meet deadline for technology**

**By Joan Lowy**

WASHINGTON (AP) — Only a handful of railroads are close to meeting a deadline this year to install safety technology that can prevent many crashes, including derailments due to excessive speed like the deadly Amtrak crash in Philadelphia in May, according to a government report released Friday.

Only three railroads have submitted safety plans to government, a necessary step before they can put the technology — positive train control, or PTC — into operation, the Federal Railroad Administration report said. They are BNSF Railway, the nation's second largest freight railroad, and two commuter railroads — Metrolink in the Los Angeles area, and the Southeastern Pennsylvania Transportation Authority in the Philadelphia area.

Amtrak hasn't submitted a plan yet, but railroad officials have said they expect to meet the Dec. 31 deadline.

Some railroads are lagging far behind. Union Pacific, the nation's largest freight railroad, hasn't equipped any of its 6,532 locomotives with the technology, according to the report. None of Norfolk Southern's 3,400 locomotives are equipped, either.

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## **Obama suffers setback as top Dem Schumer rejects Iran deal**

**By Donna Cassata**

WASHINGTON (AP) — President Barack Obama suffered a notable setback in his all-out campaign to secure Democratic support for the Iran nuclear deal when the leading Jewish Democrat in the Senate announced his opposition. The question is how significant the blow will turn out to be.

Republicans, infuriated by Obama's recent comparison of GOP foes of the pact to "Death to America" Iranian hardliners, immediately focused on the stunning break with the president by Chuck Schumer of New York, and they're urging other Democrats to buck the administration.

But there was no quick indication that the announcement by Schumer, the No. 3 Senate Democrat and party leader-in-waiting, would trigger a rush of Democratic opposition to the international accord, which aims to curb Iran's nuclear program in exchange for billions of dollars in relief from crippling economic sanctions.

In fact, just hours after Schumer's late Thursday statement, Wisconsin Sen. Tammy Baldwin

joined 13 other Senate Democrats in endorsing the deal, saying it "will best serve America's national security interests."

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## **Barge brings tons of buoys, other ocean debris to Seattle**

**By Becky Bohrer**

JUNEAU, Alaska (AP) — Hundreds of tons of marine debris have been collected from the shores of Alaska and British Columbia as part of an unprecedented cleanup effort that an organizer says barely made a dent in the rubbish that remains on beaches.

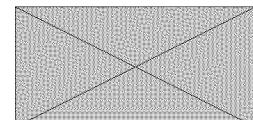
A barge heaped with white, heavy-duty bags and loose piles of Styrofoam, bottles, commercial fishing gear, thousands of large buoys and floats and other debris arrived in Seattle on Thursday, three weeks after picking up its first load in Kodiak, Alaska.

Some of the debris collected likely was swept to sea by the 2011 tsunami in Japan, which killed thousands of people. But marine debris in general, including rubbish such as plastics and fishing nets, is an ongoing environmental problem.

In Seattle, volunteers will have to pick through the piles, sorting what can be recycled or returned and what must be taken by train to a disposal site in Oregon. Sorting isn't expected to begin until next month and could take a couple weeks to complete, said Janna Stewart, tsunami marine debris coordinator with the Alaska Department of Environmental Conservation.

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## **Week in Review - Clean Power Plan rolls out amid charges of collusion**

Meanwhile, power plant emissions hit 27-year low.

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## **ALEC loses Shell over climate change**

ALEC's "stance on climate change is clearly inconsistent with our own," said Royal Dutch Shell in announcing its departure from the American Legislative Exchange Council, National

Journal reports.

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## **Canadian debate: Harper optimistic about Keystone**

Energy and climate issues played a major role in the first campaign debate between party leaders in Canada ahead of the country's October parliamentary elections, with Prime Minister Stephen Harper saying he's optimistic about the future of the Keystone XL pipeline project, The Hill reports.

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## **Oil drops on rising rig count**

An increase for a third straight week in the number of rigs drilling for oil in the U.S. hammered prices again Friday. Light, sweet crude for September delivery dropped 1.8 percent, or 79 cents, to \$43.87 a barrel on the Nymex -- very close to a six-year low established in March -- while Brent lost 91 cents to \$48.61, The Wall Street Journal reports.

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## **'Savage cost-cutting' triggered by low oil prices: Fund manager**

To try to mollify shareholders, major oil companies are engaging in "savage cost-cutting," a U.K. fund manager told Bloomberg, which reports that the moves risk holding the industry back for years.

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## **Electricity prices spike with demand in Texas heat wave**

Day-ahead prices in the Electric Reliability Council of Texas North Hub soared \$80 to \$255 per megawatt hour for Monday delivery – levels not seen since 2012, Platts reports.

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## **IDT to pay out \$2.4 more to Pennsylvania customers**

Settling a case brought after consumer complaints over its practices and prices during the "polar vortex" winter of 2014, IDT Energy Inc. has agreed to refund \$2.4 million to customers on top of the \$4.1 million it has already paid out, according to Pennsylvania officials, the Pittsburgh Post-Gazette reports.

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## **Dems push harder on climate as Steyer issues benchmarks**

Activist Tom Steyer is insisting that candidates lay out plans to get the U.S. to 50 percent renewable or clean energy by 2030, and Democratic presidential candidates appear to be in sync with that, NPR reports.

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## **Epic Petrobras scandal crushing Brazil**

The scale and scope of the corruption at Brazil's national oil company – which is being ferreted out by prosecutors – has sent the country into a tailspin, The New York Times reports.

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